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SUBJECT

Manufacture of Military Materiel in South Pyongan Province

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SUPPLEMENT TO REPORT NO

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- The light metal factory attached to the steel plant in Kangso (125-28, 38-58), South Pyongan Province, is now manufacturing shells for weapons of the North Korean army. Shells for long rifles (Japanese model), mortars, and hand grenades are partially processed and sent to the Hungman (127-34, 40-16) chemical factory via Pyongyang for completion of manufacture. The Kargan factory, which was greatly danaged after the war, has been operating day and night since the Deginning of January 1950. Half of its products are reported to be so inferior that they are returned from Hungman to Kangso for reshaping.
- 2. The steel plant in Kangso is now manufacturing steel plates from three to five inches thick as well as railroad rails, nuts, and bolts. These are transported to Manam (129-41, 41-42), North Hangyong Province, purportedly for use in military construction, but it is believed that most of the steel plates are being shipped to the USSR. Since December, 1949, large quantities of metal ore from various mines in Hangyong Province have been stored in the warehouses of the Kangso steel plant.
- 3. Since 20 January, 25 German prisoners of war, who came from the USSR, have been instructing the Kangso steel plant workers and have been inspecting products of the plant. The Germans live in a warehouse to the right of the plant and are supplied food by the Soviet headquarters in Pyongyang.

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This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 16 October 1978 from the Director of Central Intelligence to the Archivist of the United_States.

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